

Office of Massachusetts Attorney General Martha Coakley



Request for Proposals (RFP)

Prescription Drug Assistance Program Grants

Release Date: November 12, 2008

Response Due Date: January 7, 2009

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Grantor: Office of Massachusetts Attorney General Martha Coakley

Address: One Ashburton Place, Boston, MA 02108

RFP Name: AGO Prescription Drug Assistance Program Grants

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1. **Summary.** The Office of Massachusetts Attorney General Martha Coakley (AGO) is proud to announce the Prescription Drug Assistance Grant (PDAG) Program, a new pilot program designed to improve access to prescription medications through distribution of settlement funds, through grants to community health centers and volunteer clinician programs in Massachusetts.

Utilizing funds recovered in several multistate consumer protection settlements,¹ the PDAG program will provide financial assistance for medically-necessary prescription drugs to low income consumers in Massachusetts, where no other private or public financial assistance is available.

The AGO anticipates awarding up to 15 PDAG Program grants, of up to \$50,000 per year for two years.

The deadline for application is January 7, 2009.

Award notifications will go out on or around February 11, 2009.

¹ Cases include settlements with pharmacy benefit managers Caremark and Express Scripts. The multistate settlements authorize participating state Attorneys General to direct these settlement proceeds to benefit low income, disabled, or elderly consumers of prescription medications, to promote lower drug costs for state residents, or to educate consumers about the cost differences among medications.

The grant period will commence on March 2, 2009, and end on March 2, 2011. The AGO reserves the right to reopen this RFP for services in uncovered geographic areas of the Commonwealth, or for the expansion of services. Contract awards under such a reopened RFP will run on the same cycle as those during the initial grant procurement period.

2. **Background and Purpose.** Chapter 58, Massachusetts' health care reform law, now mandates that all individuals that can afford it obtain health insurance. As of January 1, 2009, the state will require that prescription drug coverage be part of any plan meeting the state's "minimum creditable coverage" requirement. For individuals with incomes up to 300% of the federal poverty level, the state provides either [MassHealth](#) (Medicaid) or subsidized coverage through Commonwealth Care ([CommCare](#)). However, many individuals in Massachusetts do not have coverage for or have difficulty obtaining prescription drugs.

Based on Department of Revenue data from 2007, we know that approximately 60,000 Massachusetts residents have no insurance coverage because they are above income guidelines for subsidized health insurance yet cannot afford any health insurance plan offered by their employer or through the Connector. In addition, individuals may face gaps in coverage when changes in circumstances cause temporary disenrollment from MassHealth or CommCare. Since these individuals are least able to afford non-discounted drug costs, many people in these circumstances cannot continue with prescription medications.

Finally, for many low-income residents who have health insurance and prescription coverage, the cost of co-payments is prohibitive. For example, CommCare members are asked to pay co-payments that range anywhere from \$1 to \$25 per prescription depending on the type of plan they have and if the prescription is for a brand or generic drug. Until the co-payment cap is reached (\$200 to \$850 annually), the financial burden of these co-pays on these individuals means they are often unable to fill their prescriptions.

Providing access to prescription medications is one way to contain health care costs. Barriers to prescription drug access affect individuals' health status and ultimately increase the cost of care, as failure to maintain pharmaceutical therapies can lead to unnecessary and costly interventions and hospitalizations. According to a 2008 article in *Health Economics*² chronic disease patients who cannot afford their co-payments are likely to partially or totally restrict their drug intake. Access to maintenance drugs is a critically important aspect of chronic disease management, particularly for such diseases as hypertension, diabetes and asthma, the incidence of which is higher in the low-income population.³ Of course, effective case management to encourage patient compliance is an important component. Providing assistance to individuals who lack insurance or who cannot afford co-pays can help avert greater costs and improve health outcomes.

3. **Eligible Applicants.**

- a. The Applicant must be either:

²John Wagner et al., "Prescription Drug Co-Payments and Cost-Related Medication Underuse," *Health Economics. Policy and Law*(2008) 3 51-74

³ Center for Disease Control 2007 Behavioral Risk Factor Surveillance System Prevalence and Trends Data

<http://apps.nccd.cdc.gov/brfss/income.asp?cat=AS&yr=2007&qkey=4417&state=MA>

<http://apps.nccd.cdc.gov/brfss/income.asp?cat=DB&yr=2007&qkey=1363&state=MA>

and Weekly Quick Stats as of May 2008 <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5720a5.htm>

- i. a community health center with a 340B pharmacy that is (i) qualified by the Massachusetts Department of Public Health to provide services for the Commonwealth, without condition or provision; and (ii) operated in conformance with the requirements of 42 U.S.C. §254c; or
 - ii. a program that uses volunteer clinicians to provide free or significantly discounted services to low-income uninsured individuals in Massachusetts.
- b. The Applicant must be a non-profit organization, and must have met all filing requirements with the Internal Revenue Service and the Attorney General's Public Charities Division.

4. Program Requirements.

- a. Successful proposals will target the following populations:
 - i. The uninsured: Adults (ineligible for Medicare part D/Prescription Advantage) over 300% of the federal poverty level who are unable to afford employer-sponsored or individual insurance or low income individuals who are otherwise ineligible for insurance assistance;
 - ii. Individuals who face gaps in coverage due to the MassHealth/CommCare disenrollment/enrollment process and are uncovered by the Health Safety Net; and/or
 - iii. Low-income individuals who are unable to afford drug co-payments.
 - iv. Any of the above individuals with chronic diseases
- b. The proposal should explain how the grantee will:
 - i. Leverage other funds and existing resources and best practices; and.
 - ii. Focus on individuals with chronic diseases for whom consistent pharmaceutical therapy is essential to their health, improve access to necessary drug therapies for such individuals, and reduce disparities in health outcomes.

5. Program Administration Costs. No more than five percent (5%) of the grant funds may be used for program administration.

6. Grant Period. This grant is for a two year period beginning March 2, 2009.

7. Reporting Requirements. Grant recipients are required under the terms of the grant to provide three budgetary and program reports and one final report to AGO. Participating programs must adhere to all mandatory fiscal and program administration guidelines and disbursement of funds will be dependent upon timely submission of all required reports. Short surveys will also be conducted via email throughout the year to maintain lines of communication and progress. Subject matter to be reported shall include but not be limited to:

- Qualification criteria for client
- Demographics of clients
 - a. Insurance type/status
 - b. Amount of assistance for co-pay (if applicable)
 - c. Chronic disease treated (if applicable)
- Number of clients served with cy pres funds

- Brand or generic drug assistance
- Number of prescriptions purchased with cy pres funds
- Outreach goals (operational and outcome)
- The supplementary case management offered to support and enhance patient compliance

8. Overview of Requirements of Grant Proposal. Applications should include the following information:

- a. A description of the lead agency, the leadership structure, the organization's mission statement and a description of any prior work done in the area of prescription access, including best practices from previous programs and lessons learned from missteps
- b. A description of the identified need for a prescription access program in your service area. This should include a discussion of the degree to which your population includes the targeted populations (see 4a) and your plans for doing specific outreach to identify and serve those populations
- c. A description of what financial and/or in kind resources you may leverage and how this grant will supplement and not supplant current prescription access efforts
- d. A description of the methods to be used by your organization to evaluate the success of the program
- e. A description of how your plan will promote chronic disease management for individuals with chronic conditions
- f. A detailed plan for how you will collect the data outlined in item seven (7) above
- g. A detailed budget, utilizing form provided
- h. Budget narrative of no more than two (2) pages, double spaced
- i. A description of a clearly articulated and realistic sustainability plan to continue prescription access efforts once this grant ends

Items (a) through (f) must be addressed in a proposal that is no more than ten (10) pages, double spaced. The budget, the budget narrative, and the additional required documents shall not count against the ten (10) page maximum.

9. Application Deadline

Proposals are to be delivered electronically (via email) to AGOgrants@state.ma.us no later than **4:00 p.m. on January 7, 2009**. All applicants will receive an email notification confirming receipt. Proposals will not be accepted via any other delivery method. Proposals not meeting this deadline will not be considered.

10. Additional Required Documents. Applications must also include the satisfactory completion of all required documents (listed below) by the RFP deadline of January 7, 2009 in order to be considered eligible for funding. **Applications with incomplete, incorrectly executed, or missing documents will not be considered.** These documents can also be found at www.mass.gov/ago/grants. Required documents include:

- 1) Commonwealth Terms and Conditions*
- 2) Request for Taxpayer Identification Number and Certification* (Form W-9)
- 3) Authorized Signatory Form*

*Please provide all information **except signature**. Since an original ink signature cannot be executed via email, these forms will be returned to successful applicants upon grant award notification. Grantees will be required to provide original ink signatures on the previously completed forms within two weeks of receiving the grant award letter. In addition, successful applicants will be required to execute the Commonwealth Standard Contract and the Authorization for Electronic Funds Transfer upon contract award.

11. Bidders' Conference Calls. These conference calls are optional. They are an opportunity for applicants to ask questions about the grant program and the proposal process. A summary of all questions and answers discussed on these calls will also be posted on www.mass.gov/ago/grants. Please email AGOgrants@state.ma.us for the dial-in phone number and password to join these conference calls. Conference calls will take place on:

- Tuesday, December 2, 2008 at 11:00 a.m.
- Thursday, December 11, 2008 at 2:00 p.m.

12. Disbursement of Grant Funds. Direct payments will be made by Electronic Funds Transfers to the grantee. 25% of each grant year funds shall be disbursed at the commencement of each grant year and 25% will be disbursed at the midpoint of each grant year. Disbursements are contingent upon the timely submission and approval of all required quarterly program and financial reports; unexpended funds must be returned to the Attorney General's Office.

13. Anticipated Budget. Grants will be awarded in amounts up to \$50,000 for each of grant years 2009 and 2010. **All applicants** are required to submit a detailed line item budget and budget justification. Grantees must demonstrate how they will leverage other community resources to support the plan. All funds must be expended by March 2, 2011; unexpended funds must be returned to the Attorney General's Office.

14. Required Participation in Grantee Conference Calls. Successful applicants must participate in a total of four conference calls, over the course of the grant period, which will be offered to help support grantees throughout the grant period. The dates and times for these conference calls will be announced at the time of award notification.

15. Questions. Questions regarding this RFP may be submitted to AGOgrants@state.ma.us by email only, no later than January 5, 2009. All questions received and answers provided regarding this RFP will be posted on our website, www.mass.gov/ago/grants.